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DIA, JCS and NAVY review(s) completed.

DEPT OF STATE review(s) completed.

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NO CHANGE in Class. ☐ 40

☐ DECLASSIFIED

Class. CHANGED TO: TS S (C)

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GENERAL

Date:

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1. Soviet-Iranian negotiations--On 1 April Premier Qavam told Ambassador Murray that Ambassador Sadchikov had orally replied to two of the three notes submitted by Qavam--those containing Iran's counterproposals regarding (1) Soviet oil concessions and (2) settlement of the Azerbaijan situation. (Qavam's other note included a request for an unqualified promise by the USSR to withdraw its troops; Sadchikov had indicated to Qavam that this request would be acceptable "as soon as other agreements were concluded.") The gist of Sadchikov's replies and Qavam's reaction to them follows:

(a) On oil concessions. While the Soviets accept Qavam's stipulations that Iran alone should furnish any security forces required in connection with the exploitation of oil and that Iran's contribution to the joint exploitation company should consist only of land, Moscow insists that (1) the Soviets have a 51 percent (rather than 50 percent) interest in the joint company and (2) western Azerbaijan must not be excluded from the concession. Qavam has informed Sadchikov through an emissary that he could not accept either of these demands. He would consent, however, to a subsidiary agreement whereby the Soviets would receive 51 percent of the profits of the joint company, and he would include in the concession a small part of western Azerbaijan bordering on the USSR but not contiguous to Turkey or Iraq. He has advised Sadchikov that, if the Soviets were not satisfied with these terms, "they could do whatever they pleased."

(b) On Azerbaijan. The Soviets accept Qavam's conditions (direct negotiations between the Iranian Government and that of Azerbaijan) and will use their "moral influence" to bring about a settlement on that basis. Qavam has indicated to Murray that he is no longer worried about this issue.

Qavam also told Murray that he had sent to Ambassador Ala the information on Soviet-Iranian negotiations requested by the Security Council.

US Consul Tabriz reports that the Soviets are continuing ostentatious withdrawals from the Tabriz area. The Consul regards these moves as "merely a show of evacuation" designed to encourage belief in the good intentions of the USSR.

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EUROPE-AFRICA

2. USSR: The Naval Attache in Moscow reports that a Soviet Lieutenant-General and a Vice-Admiral accepted his invitation to dinner on 29 March. He states that this is apparently the first occasion since before the war at which relatively high Soviet officials and their wives have attended a private social affair given by an American.

FAR EAST

3. SEVENTH FLEET: Approach to Soviet territory limited--The Commander Seventh Fleet has prohibited naval vessels and aircraft under his command from approaching, except on his specific authorization, within 12 miles of Soviet-occupied territory. (Such territory is considered to include all of Korea north of the 38th parallel and all of Manchuria, except for the coast line from North China to the base of the Liaotung Peninsula.)
4. KOREA: US blocks Soviet moves in Joint Commission--General Hodge reports that during the first seven meetings of the Joint Commission for Korea, US members have blocked Soviet efforts to (1) force acceptance of their plan for Korean Government by procedural maneuvers rather than by straightforward negotiation, and (2) prevent either delegation from making unilateral public announcements of commission activities.

THE AMERICAS

5. BRAZIL: Views on Argentina--Embassy Rio reports that the Brazilian Government does not wish to exclude Argentina from the proposed Western Hemisphere mutual assistance pact and plans to continue usual diplomatic relations with the newly elected Argentine Government. Brazil considers that the seriousness of Argentine collaboration with the Axis has been lessened by the termination of the war and US possession of the atomic bomb.

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6. ECUADOR: Government faces political crisis--Embassy Quito reports that the political situation in Ecuador is very tense and may lead to the fall of the Government. President Velasco--as a result of his 30 March executive decree exiling General Enriquez and several of the latter's followers for plotting a revolution--is publicly charged with trying to set up a dictatorship.

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